

## ***How Benefits Are Paid***

Your Account Balance constitutes your benefit under the Plan and it is payable in a lump sum. However, Federal pension law requires the Plan to pay you in monthly payments, unless you elect something else. If you are married, your spouse must consent to any election which you make other than monthly payments for married participants, as described below.

### **Automatic Cash-Out**

If the value of your Plan benefit at the time you first become eligible to receive a benefit is \$5,000 or less, the benefit will automatically be distributed to you in the lump sum form, and you cannot select any other option.

### **Automatic Method of Payment - Married Participants**

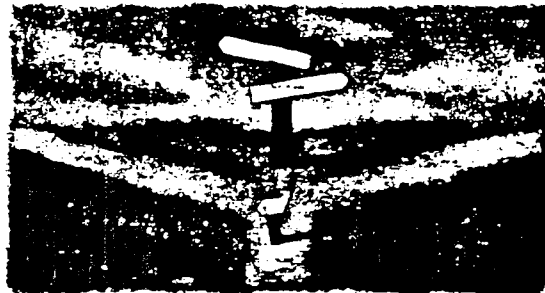
If you are married on the date your benefits are to begin, you will automatically receive payment in the form of a Joint and 50% Survivor Annuity (Option 3 below) with your spouse as beneficiary unless you, with your spouse's written consent, elect a form of payment other than Option 3. Under the Option 3 form of payment, if you die after beginning to receive monthly payments and you are survived by your spouse, your spouse will receive a monthly benefit for the remainder of his or her life equal to 50% of the monthly benefit you were receiving when you died. When your surviving spouse dies, no further benefits are paid. If your spouse does not survive you, no benefits are paid following your death.

### **Automatic Method of Payment - Unmarried Participants**

If you are not married on the date your benefits are to begin, and unless you elect otherwise, you will automatically receive payment in the form of a Single Life Annuity (Option 2 below), with monthly payments for your lifetime and no continuing payments after your death.

### **Election of Optional Forms**

Shortly before benefit payments are to begin, the Plan Administrator will give you a written explanation of the automatic methods of payment and a form on which you may choose one of the available payment options. The form will show the monthly amount of the various payment options based on your age and your spouse's or beneficiary's age, and interest rates in effect at that time. You will also be informed of the election procedures and deadlines. Depending on the option, the monthly amount payable to you (and your beneficiary, if applicable) will vary. You may not elect an option until you receive this information from the Plan Administrator, and once you have made an election and payments begin you may not ever change your election.



## Optional Forms of Payment

You (with the consent of your spouse, if you are married) may elect a form of payment other than the automatic forms described above. Payment may be made in any one of the optional methods discussed below:

### Option 1: Lump Sum

You may receive a lump sum payment of your Account Balance.

### Option 2: Single Life Annuity

A benefit payable monthly during your life with no continuing benefits after your death.

### Option 3: Joint and 50% Survivor Annuity

A reduced benefit payable monthly during your life, with the provision that, after your death, a monthly payment equal to 50% of your payment will continue for the life of your designated beneficiary, if that beneficiary is still living at your death.

### Option 4: Joint and 66-2/3% Survivor Annuity

A reduced benefit payable monthly during your life, with the provision that after your death, a monthly payment equal to 66-2/3% of your payment will continue for the life of your designated beneficiary, if that beneficiary is still living at your death.

### Option 5: Joint and 75% Survivor Annuity

A reduced benefit payable monthly during your life, with the provision that after your death, a monthly payment equal to 75% of your payment will continue for the life of your designated beneficiary, if that beneficiary is still living when you die.

### Option 6: Joint and 100% Survivor Annuity

A reduced benefit payable monthly for your life, with the provision that after your death, the same monthly payments will continue for the life of your designated beneficiary, if that beneficiary is still living when you die.

### Option 7: Life Annuity with 10 Years Certain

A benefit payable monthly during your life, with the provision that if you die before you have received 120 monthly payments, the same monthly benefit will be paid to your designated beneficiary for the remainder of the 120 months.

### Option 8: Life Annuity with 15 Years Certain

A benefit payable monthly during your life, with the provision that if you die before you have received 180 monthly payments, the same monthly benefit will be paid to your designated beneficiary for the remainder of the 180 months.

### Option 9: Life Annuity with 20 Years Certain

A benefit payable monthly during your life, with the provision that if you die before you have received 240 monthly payments, the same monthly benefit will be paid to your designated beneficiary for the remainder of the 240 months.

If you elected one of the period certain options (Option 7, 8, or 9 above) and your designated beneficiary dies before you do, you may designate a new beneficiary to replace the deceased beneficiary. In addition, if your designated beneficiary starts receiving monthly payments and dies before all required payments have been made, the actuarial equivalent of the remaining payments will be paid to the beneficiary's estate. However, if you elect any survivor annuity (Options 3, 4, 5, 6) and your designated beneficiary dies before you, no new beneficiary may be designated.

To protect the former benefit, the optional forms of payment available on your General Signal benefit earned through December 31, 1998 will also be an option if you select your prior Plan Accrued Benefit instead of your Account Balance.

## Advantages of Lump Sum

Here are some of the possible advantages of choosing to receive your Account Balance as a lump sum over a monthly annuity:

- You receive the entire value of your Plan benefit immediately. When you die, any remaining amount of your Plan distribution can be paid to whomever you choose.
- If you die before the actuarial life expectancy which would have been used to calculate a monthly benefit for you, your spouse or other beneficiary may receive more value from the benefit. Contrast this possibility with a Qualified Joint and Survivor Annuity, for example, in which a surviving spouse receives only 50 percent of the monthly payment that was in effect during your lifetime. (Of course, you could choose a Joint and 66-2/3% Survivor Annuity, Joint and 75% Survivor Annuity, or Joint and 100% Survivor Annuity, but the monthly payments you receive during your life would be smaller than the payments under a Qualified Joint and Survivor Annuity.)
- You can invest the distribution yourself, possibly in an IRA or another employer's qualified retirement plan. Your investment return may be better than the legally prescribed assumed interest rate used to convert your account balance into an annuity. You could increase your benefit value.

## Advantages of Monthly Annuity

Here are some of the possible advantages of choosing to receive your Account Balance as a monthly annuity over a lump sum:

- An annuity pays benefits for your lifetime, or for the lifetime of you and your surviving spouse or other beneficiary (depending on what form of annuity you choose). You cannot outlive an annuity, whereas you may spend all of a lump sum distribution before you (or you and a survivor) die.
- You do not have to take the responsibility for investing with an annuity.
- Between the Plan and the Pension Benefit Guaranty Corporation, annuity benefits are generally guaranteed, and your plan benefits have some protection against creditors.

When you become eligible for a distribution, the Plan Administrator will provide you with information comparing your benefit values and options, to help you choose between a lump sum or monthly annuity benefit.

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## ***Death Before Benefits Are Payable***

### **General**

If you are vested and you die before you receive (or begin receiving) your benefits under the Plan, your entire Account Balance will be paid to your spouse, if you are married, or to your beneficiary, if you are not married or if you and your spouse consent in writing to the designation of another beneficiary. When this death benefit is payable to your spouse, it is called the pre-retirement survivor annuity ("PRSA").

### **Death Benefit (PRSA) for Married Participants**

The Plan must pay your Account Balance to your spouse as an annuity for the life of your spouse if you die after you are vested but before you receive your benefits under the Plan. Monthly payments under this PRSA will start immediately after your death and will be actuarially equivalent to 100% of your Account Balance. Payments stop when your spouse dies. Your spouse can elect after your death to delay payment of the PRSA until as late as April 1 of the year following the year you would have attained age 70-1/2. Your spouse can also elect to receive the Account Balance in a lump sum, payable either immediately after your death or at a later date. Your Account Balance will continue to receive Interest Credits until it is distributed.

If the PRSA has a lump sum value of \$5,000 or less, it will be paid to your spouse in a lump sum after your death.

If your spouse survives you but dies before receiving the PRSA, 100 percent of your Account Balance will be paid to the legal representative of your spouse's estate, or if there is no legal representative, it will be paid to the persons who are your spouse's intestate heirs under Michigan law. If your spouse dies before you do, your Account Balance will be paid as described below under Death Benefits for Single Participants.

## Election to Waive the PRSA

You and your spouse can waive the PRSA benefit, in writing, before your death. If you both waive the PRSA, no benefits will be paid to your spouse after your death. The period during which you may elect to waive the automatic PRSA coverage in favor of the lump sum option—

- begins on the first day of the Plan year in which you reach age 35 (or become a participant, if later), and
- ends on the earlier to occur of your date of death or the date when your retirement benefits start being paid (or are paid).

However, if you leave your position with the Company before age 35, you can make an election immediately upon your separation from service.

You must get your spouse's written consent to waive the PRSA in favor of the lump sum option, or to designate someone else as your beneficiary. The consent:

- must be witnessed by a representative of the Plan or a notary public,
- must show your spouse understands the financial effect of consenting to such election, and
- must be irrevocable as of the date of your election.

If the person you choose to receive the lump sum payment is someone other than your spouse, your spouse must specifically consent to your designation of a nonspouse beneficiary.

If you and your spouse waive the PRSA and you later revoke that election, you will again be covered by the Preretirement Survivor Annuity. If you later want again to waive the PRSA, you will again need your spouse's consent. Also, if:

- you and your spouse have elected to waive the PRSA,
- you are later widowed or divorced, and
- then you remarry,

The Preretirement Survivor Annuity is automatically reinstated upon your remarriage. Of course, you may again waive the PRSA with the consent of your new spouse.

## Death Benefits for Single Participants or for Married Participants Who Waived the PRSA

If you and your spouse waive the PRSA before you die, or if you aren't married when you die, and you are then vested, 100% of your Account Balance will be paid in a lump sum to the beneficiary you designated before your death. The Account Balance will be paid after your death or (at the option of your beneficiary) can be paid at any time up to December 31 of the fifth year after your death. The Account Balance will receive Interest Credits until it is distributed.

If your designated beneficiary survives you but dies before receiving the Account Balance, 100% of the Account Balance will be paid in a lump sum to the legal representative of your beneficiary's estate or, if none, to the persons who are your beneficiary's intestate heirs under state law.



## Beneficiary Designation for Preretirement Death Benefit

Your preretirement death benefit beneficiary is the person or persons who will receive your preretirement death benefit under the Plan after your death. Generally, when you reach age 35, you will be given the opportunity to designate a beneficiary on a form provided by the Plan Administrator. If you are married, your spouse must consent, in writing, before a notary public or a representative of the Plan, to the choice of a beneficiary other than your spouse. You may change your designated beneficiary at any time, but any choice of a nonspouse beneficiary requires spousal consent, as described above. A beneficiary designation is effective when the Plan Administrator receives your election and any required consent. An effective new designation will invalidate all prior designations.

If no such designation is in effect at the time of your death, or if your designated beneficiary does not survive you, your beneficiary will automatically be designated in the following order:

1. If your spouse is living, your beneficiary will be your spouse.
2. If your spouse dies before you, your beneficiary will be any of your children who survive you, in equal shares.
3. If no children survive you, your beneficiary will be your surviving parents.
4. If no parents survive you, your beneficiary will be your surviving brothers and sisters.
5. If no brothers or sisters survive you, your beneficiary will be your legal representative.
6. If you do not have a legal representative, or if none is appointed within six months of your death, your beneficiary will be the person(s) to whom your estate would be distributed under the laws governing the

descent of intestate property (that is, laws describing the distribution of property of persons who die without a will) under state law.

*If you are not married when you designate a beneficiary and you later marry, that designation is not effective (unless your new spouse consents).* If you previously designated your spouse as your beneficiary and are then divorced from that spouse, your beneficiary designation is automatically invalid. However, you may again designate your ex-spouse as your beneficiary, provided that (if you remarry) your new spouse consents to your later designation. In the absence of any later designation, no death benefits will be payable to your former spouse under what is called a "qualified domestic relations order" unless:

- the order is entered in court before your death and then submitted to the Plan Administrator before your death; and
- the order clearly states that your former spouse is to receive benefits in the event of your death.

### What if Your Non-Spouse Beneficiary Dies After You, But Before Benefit Payment?

If you have properly designated a beneficiary who is not your spouse, and that beneficiary survives you, but dies before payment is made, then the lump sum death benefit will be paid to the personal representative (P.R.) of the beneficiary's estate. If no P.R. is appointed within 6 months of the beneficiary's death, then the payment will be made to the beneficiary's heirs as determined under state laws that apply when a person has no will.

## *How Benefits Are Taxed*

When you are about to receive a distribution, the Plan Administrator will give you a detailed explanation of the payment options available to you and the tax treatment of each option. Generally, distributions from the Plan are taxable as ordinary income. However, under certain circumstances, you may be able to lessen or defer income taxes on your distribution. You should consult with a qualified tax advisor before choosing a payment option.

If you choose to directly receive a lump sum distribution, the Plan Administrator must withhold 20% of your payment for federal income taxes. You can avoid this mandatory withholding by directing the Plan Administrator to transfer the money you would have received directly into —

- another employer's qualified retirement plan that accepts direct rollovers, or
- your Individual Retirement Account (IRA).

In addition to the mandatory 20% withholding, you may be responsible for a 10% penalty for early withdrawal, depending on your age and whether you take the distribution in a lump sum or an annuity.

You will receive more information on withholding and direct rollover possibilities at the time you are entitled to a distribution.

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## *Limitations on Benefits and Contributions*

*Federal tax law imposes a number of limitations on benefits payable under the Plan.*

### **Compensation**

For 1999, annual compensation in excess of \$160,000 cannot be considered for determining the amount to be credited to your Account Balance. This amount is subject to adjustment for inflation in future years.

### **Amount of Benefit**

The Plan cannot pay you an amount equivalent to an annual benefit that is greater than the lesser of:

- (i) your average Compensation for your high three years, or
- (ii) a dollar amount indexed for increases in the cost of living.

The annual payment dollar limit (item [ii] above) is \$130,000 for 1999. This dollar amount is reduced if benefits start before you reach your unreduced Social Security Retirement Age. For purposes of this limit, your Account Balance will be converted to an annuity payable at your age when you receive your benefit. You will be notified if this limit, or the combined plan limit described below, applies to you.

### **Combined Plan Limit**

For years before January 1, 2000, a special overall limitation on benefits applies if you are a participant in both the Retirement Savings and Stock Ownership Plan and this Plan. Beginning in the year 2000, this limit is scheduled to be revoked.

### **Special Limit for Highest Paid 25 Employees**

If the Plan is terminated within 10 years of any plan benefit improvement and you are one of the highest paid 25 employees, your benefits may be restricted.





## Service Under the Plan

If you become a plan participant and you later terminate employment at SPX, you will be eligible to receive a plan benefit only if you are vested. You must have five years of Continuous Service to be vested. Generally:

- if you leave employment at SPX with five or more years of Continuous Service, you will receive a plan benefit.
- if you terminate employment at SPX with fewer than five years of Continuous Service, you will receive no benefit, but
  - if you leave with fewer than five years of Continuous Service and you are rehired at SPX before five one-year Breaks-in-Service, your prior Continuous Service will be restored.

For these purposes, your departure from SPX employment is referred to as a Period of Severance.

The key terms used above are more fully described below.

You will receive 1 year of Continuous Service for each complete 12-month period during which you are an SPX employee:

- after your "Continuous Service Commencement Date" (as described below), and
- before your "Continuous Service Termination Date" (also as described below).

Your Continuous Service Commencement Date is the date on which you first perform an Hour of Service with SPX (or any related company, regardless of whether it has elected to participate in the Plan). This is usually the first day you come to work for SPX. Your Continuous Service Commencement Date will be adjusted if you incur a Break-in-Service and return to work.

Your Continuous Service Termination Date is the date on which you begin a Period of Severance.

In general, if you work for SPX without interruption, your Continuous Service is equal to the number of full years between the day you started work for SPX and the day you stopped working here.

A Period of Severance means a period of time beginning with the earlier of:

- (i) the day you quit, retire, die or are discharged; or
- (ii) the first anniversary of the beginning of the period in which you were first absent (with or without pay) for any reason other than a quit, retirement, death or discharge, provided there is no intervening event, listed in (i) above, and ending with the day you again perform an Hour of Service (within 12 months) for SPX.

You receive no Continuous Service credit during a Period of Severance. If you become an inactive participant because of a transfer to employment within SPX in which you no longer qualify as a Participant, you will continue to be credited with Continuous Service until you begin a Period of Severance.

#### ***Example 1:***

**Period of Severance:** Assume you become a Plan participant on May 1, 1991 and retire on December 1, 2005. Unless you return to work and again perform an Hour of Service for SPX within 12 months, your Period of Severance would begin on December 1, 2005.

#### ***Example 2:***

**Period of Severance:** Assume you become a Plan participant on May 1, 1991 and go on a leave of absence on May 1, 2001. Unless you return to work and again perform an Hour of Service for SPX within 12 months, your Period of Severance would begin on May 1, 2002. However, if you retire on November 1, 2001 without returning from your leave of absence, your Period of Severance would begin on November 1, 2001.

In certain cases, you will receive Continuous Service for a period of time when you aren't working for SPX.

- If you quit, were discharged or retired (so a Period of Severance began the day you left), but you return to work for SPX (and perform an Hour of Service) within 12 months of the day you left, you will be treated as if you never left employment with SPX (and thus had no Period of Severance).
- If you are on a paid or unpaid leave of absence, you will continue to receive Continuous Service until the first anniversary of the day you started your leave of absence. On that first anniversary, your Period of Severance begins and your Continuous Service stops.
- If you are on a leave of absence and you quit, are discharged or retire within 12 months of the day you started your leave, a Period of Severance begins and Continuous Service stops unless you return to work for SPX (and perform an Hour of Service) within 12 months of the day you started your leave of absence. If you return to work for SPX within 12 months of the day you started your leave, you will be treated as if you never left employment with SPX (and thus had no Period of Severance).

## Break-In-Service

If you incur a Break-in-Service, you may lose your opportunity to receive a benefit from the Plan. A Break-in-Service occurs if you have a 12 month Period of Severance, as described above.

### *Absence from Work for Maternity or Paternity Reasons*

If you are absent from work for maternity or paternity reasons, special rules apply in determining whether you incur a Break-in-Service. Under these special rules, your Continuous Service Termination Date is the second anniversary of your first day of absence for maternity or paternity reasons.

If you are absent from work for maternity or paternity reasons, you will not incur a Break-in-Service unless you fail to perform an Hour of Service by the end of the 12-month period beginning with the second anniversary of your first day of absence for maternity or paternity reasons. An absence from work for maternity or paternity reasons includes: pregnancy, birth of a child by you or your spouse, adoption, or the need to care for your child following birth or adoption.

Although you will not incur a break-in-service until after the second anniversary of your absence, you will not be credited with Continuous Service for the second 12-month period beginning with your absence and, of course, if you do not return before the second anniversary of your first day of absence, you will also incur a Break-in-Service.

## Example:

**Break-in-Service:** Suppose that you work for SPX through June 30, 1996 and you begin a maternity leave the next day. Suppose further that you return to work with SPX three years later, on July 1, 1999. Under these facts, your Continuous Service Termination Date is July 1, 1998 (the second anniversary of your first day of absence for maternity reasons). Your period of service with SPX runs from your date of hire to June 30, 1997. The period from July 1, 1997 to June 30, 1998 is neither a period of service nor a Break-in-Service. You incur a Break-in-Service on June 30, 1999 because you did not complete an Hour of Service during the twelve-month period beginning July 1, 1998 (your Continuous Service Termination Date), and ending June 30, 1999.

### *FMLA Leave*

A federal law called the "Family and Medical Leave Act" ("FMLA") provides you with the opportunity to take up to twelve weeks of unpaid leave during a twelve-month period for certain reasons related to personal illness, illness of a family member, birth or adoption. If you go on an FMLA leave, your Continuous Service Termination Date is the second anniversary of your first day of absence in connection with your FMLA leave. You will not incur a Break-in-Service unless you fail to perform an Hour of Service by the end of the 12-month period beginning with the second anniversary of your first day of absence on account of your FMLA leave (as in the case of the maternity/paternity circumstances described above). For additional information on the FMLA as it applies to the Plan or otherwise, see the Leaves of Absence section of the handbook, or contact the Human Resources Department.

## Situations Affecting Plan Benefits

### Assignment of Benefits

Generally, you may not transfer your interest in the Plan; that is, you may not sell your interest, use it as collateral, or otherwise give it away. Your creditors may not attach or garnish your interest in the Plan. However, the Plan Administrator may be required to use some or all of your benefits to pay court-ordered alimony, child support, or some other type of transfer of assets directly to a spouse, former spouse, child or other dependent (see discussion immediately below) under what is called a "Qualified Domestic Relations Order" ("QDRO").

### Divorce or Legal Separation and QDROs

If you are involved in a divorce or legal separation and require information concerning your qualified Plan benefits, you should consult your annual benefit statement. If you need further information, you should contact the Plan Administrator.

*Qualified Domestic Relations Orders* ("QDROs") are acceptable if the Plan Administrator determines that they comply with certain legal requirements. Review by the Plan Administrator of any proposed order prior to its submission to the court is encouraged because the review may reduce delays in implementation when the final order is received, and it may save you legal fees in the domestic relations case.

Upon your divorce or legal separation and the court's entry of an appropriate order, a complete copy of the Judgment of Divorce and related QDRO must be sent to the Plan Administrator for review. If the QDRO is acceptable, you will be notified, and the QDRO will be implemented according to its terms. If the order is not accepted as a QDRO, the order will be returned to the Participant and the alternate payee with an explanation of why the order is not qualified.

If you are divorced, you should also be sure to change any beneficiary designation you may have filed with the Company before your divorce. If you designated your now ex-spouse as your beneficiary before the divorce, the Plan provides that this designation is invalid after the divorce unless:

- a QDRO provides otherwise, or
- you file a new designation naming your ex-spouse as your beneficiary after your divorce.

## Administrative Information

### Benefits Administration/Legal Information

This section contains information pertaining to most of your benefit plans. You won't use this information every day. But, if you wish to communicate with the administrator, contact the trustee, or find out where you can get more information, this section will help you.

Your Plan is "qualified." This means it must meet the requirements of specific tax laws (and must change with tax requirements). It is also covered by laws requiring that benefits be described and that certain technical information — like who administers benefits and whether benefits are insured and plan numbers, for example, be disclosed.

### General Administrative Information

#### Plan Sponsor and Administrator

The Plan is sponsored by SPX Corporation.

SPX is also the plan administrator. The company has discretionary authority to interpret the plan and, upon appeal, to determine eligibility for and entitlement to benefits and the amount of such benefits. Any such interpretation or determination by SPX is final and binding, subject only to the arbitrary and capricious standard of judicial review.

#### Plan Type, Number and Year

Documents and reports for some plans are filed with the United States Department of Labor under two numbers: the company's employer identification number (EIN) and the plan number (PN). The EIN for SPX is 38-3431828. The official plan name and plan number is listed below.

All records are kept on a plan year basis. The calendar year is the plan year.

Official Plan Name	Plan Type	Plan Number	Funding
Individual Account Retirement Plan	Defined Benefit Pension Plan	003	Trust

The Plan Administrator's address and telephone number are:

SPX Corporation  
700 Terrace Point Drive  
Muskegon, MI 49440  
(231) 724-5000



*Trustee*

Assets of the Individual Account Retirement Plan are held in a trust fund. The trustee is:

**The Chase Manhattan Bank  
4 Chase Metro Tech Center, 18th Floor  
Brooklyn, NY 11245**

The Individual Account Retirement Plan uses investment managers to direct the investment of parts of the trust funds. If you'd like a list of investment managers, contact the Treasurer's office.

*Agent for Service of Legal Process*

The agent for service of legal process is the Secretary, SPX Corporation. The Secretary may be contacted at the company's main address. Alternatively, legal process may be served on the Plan Administrator or plan trustee.

*Employee Retirement Income Security Act*

All of the SPX benefit plans are designed to meet the requirements established by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, if they are subject to that Act. The plans will be amended to conform with any changes in the law or government regulations.

*Guarantee of Certain Benefits*

Benefits under the Individual Account Retirement Plan are insured by the Pension Benefit Guaranty Corporation (PBGC). Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the plan, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling (adjusted periodically) on the amount of monthly benefit that the PBGC guarantees.

For more information on PBGC insurance protection and its limitations, contact your Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to:

**The Office of Communications, PBGC  
2020 K Street, N.W.  
Washington, DC 20006**

The PBGC Office of Communications may also be reached by calling (202) 778-8800.

**Claims and Appeals**

The Plan Administrator is authorized to interpret a plan and determine all questions concerning interpretation and application of the plan, including eligibility to participate, the right to payments or benefits, and the amount of such payments and benefits. For insured plans, benefits will be paid in accordance with the insurance contracts as determined by the insurer.

In the event that a claim for benefits for a participant or beneficiary has been denied, the Plan Administrator for the plan involved (or his or her agent) will provide written notice to the participant or beneficiary setting forth clearly the specific reasons for such denial. Within 60 days thereafter, the participant or beneficiary may request, in writing, a full review of the decision by the Plan Administrator denying the claim. If an insured plan is involved, the insurance company will provide a denial of benefits notice and provide you with an appeal procedure, since only the insurance company is responsible for paying plan benefits.



## Statement of ERISA Rights

As a participant in the SPX employee benefit plans, you are entitled to certain rights and protections under ERISA. It provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and other specified locations, all documents governing the Plans, including insurance contracts, and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor.
- Obtain copies of all documents governing the operations of the Plans. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary financial report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and, if so, what your benefits would be at normal retirement age if you stopped working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you must work in order to acquire a right to a pension. This statement must be requested in writing, and it is not required to be given more than once every 12 months. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon those people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries"

have a duty to do so prudently and in the best interest of you and other plan participants and beneficiaries. No one — your employer or any other person — may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reasons for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights.

For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive them, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if it finds your claim to be frivolous.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefit Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

## Other Information

### *Future of the Program*

SPX established its benefits program with the intent of continuing it indefinitely. However, SPX has the right to modify, suspend, or terminate the benefits program, or any part of it, at any time; and it regularly does change its benefits programs to reflect competitive conditions, program costs, and its financial circumstances. SPX reserves the right to unilaterally alter or terminate any benefit program for current, past, or future employees consistent with the long-term objectives of the company.

Certain benefit plans described currently have tax-favored status. SPX will make any changes necessary to maintain this tax-favored status.

You will be informed of the effect of any changes to the plan or your rights to plan benefits. A change in Individual Account Retirement Plan cannot deprive you of your rights to any benefits in which you may have become vested.

*This Summary Plan Description is not an employment contract or a promise to always provide any particular compensation or benefits. Nothing contained here is intended to create any contractual rights on the part of the employee, nor should any of its terms be construed as such.*

### *Fraudulent Information and Claims*

Filing a fraudulent claim or deliberately falsifying information on an enrollment or claim form may result in corrective or disciplinary action, including dismissal. In addition, fraudulent claims paid will be offset against future benefits.

### *If Your Personal Status Changes*

It is important for you to keep SPX informed of changes in your personal status (such as name change, a change in marital status, or a change in your address and/or telephone number) so that the company's data system will always be current.

## Original Plan Documents

This employee benefit plan description is a summary of the original benefit plan document. If you wish to read the actual benefit plan and related trust, they may be reviewed at your Human Resources Department, or copies may be obtained by writing to the Administrator of the respective plan. You will be charged the cost of reproducing copies.

We have attempted to describe the important details of your Individual Account Retirement Plan in a clear and concise manner. Should there be any conflict between a Summary Plan Description and the wording of the corresponding text of the Plan Document, the Plan Document will govern.

## If You Have Questions

If you have a question, please contact your Human Resources Representative. *Please remember that no person other than the Plan Administrator may actually interpret the terms of a Plan. You may not rely on statements made to you by anyone not authorized to interpret the Plan.*





**SPX Corporation**

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